

Subpart B—Closing Loans Secured by Chattels

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AUTHORITY: 5 U.S.C. 301 and 7 U.S.C. 1989.

SOURCE: 43 FR 55883, Nov. 29, 1978, unless otherwise noted.

Subpart A—Operating Loan Policies, Procedures, and Authorizations

SOURCE: 53 FR 35684, Sept. 14, 1988, unless otherwise noted.

EDITORIAL NOTE: Nomenclature changes to subpart A appear at 68 FR 7696, Feb. 18, 2003.

§ 1941.1 Introduction.

This subpart contains regulations for making initial and subsequent direct Operating (OL) and Youth (OL-Y) loans. OL loans may be made to eligible farmers and ranchers and entities that will manage and operate not larger than family farms. Youth loans may be made to rural youth to conduct modest projects in connection with their participation in 4-H, Future Farmers of America, and similar organizations. It is the policy of Farm Service Agency (FSA) or its successor agency under Public Law 103-354 to

make loans to any qualified applicant without regard to race, color, religion, sex, national origin, marital status, age or physical/mental handicap provided the applicant can execute a legal contract. Any processing or servicing activity conducted pursuant to this subpart involving authorized assistance to Agency or its successor agency under Public Law 103-354 employees, members of their families, known close relatives, or business or close personal associates, is subject to the provisions of subpart D of part 1900 of this chapter. Applicants for this assistance are required to identify any known relationship or association with an Agency or its successor agency under Public Law 103-354 employee. See exhibit A of subpart A of part 1943 of this chapter for making OL loans to entrymen on unpatented public lands. Agency or its successor agency under Public Law 103-354 forms are available in any Agency or its successor agency under Public Law 103-354 office.

[53 FR 35684, Sept. 14, 1988, as amended at 58 FR 226, Jan. 5, 1993; 58 FR 48282, Sept. 15, 1993; 61 FR 35925, July 9, 1996; 68 FR 7696, Feb. 18, 2003]

§ 1941.2 Objectives.

The basic objective of the OL loans program is to provide credit and management assistance to farmers and ranchers to become operators of family-sized farms or continue such operations when credit is not available elsewhere. FmHA or its successor agency under Public Law 103-354 assistance enables family-farm operators to use their land, labor and other resources and to improve their living and financial conditions so that they can obtain credit elsewhere. The objective of the OL loan program for rural youth is to provide credit for rural youths to establish and operate income-producing projects of modest size in connection with their participation in 4-H clubs, Future Farmers of America, and similar organizations.

§ 1941.3 Management assistance.

As provided in subpart B of part 1924 of this chapter, management assistance will be provided to all borrowers to the extent necessary to achieve the objectives of the loan.